

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CLERK'S OFFICE

NOTICE OF FILING AND HEARING

DOCKET NO. 2011-229-WS

APPLICATION OF DAUFUSKIE ISLAND UTILITY COMPANY, INC. FOR APPROVAL OF WATER AND SEWER RATES, TERMS AND CONDITIONS

Daufuskie Island Utility Company, Inc. ("DIUC" or "Company") has filed an Application with the Public Service Commission of South Carolina ("the Commission") for approval of water and sewer rates, terms and conditions. The Application was filed pursuant to S.C. Code Ann. Section 58-5-210 et seq., 26 S.C. Code Ann. Regs. 103-512.4, 103-712.4 and 103-823. DIUC, formerly known as the Haig Point Utility Company, Inc., was established to provide water and sewer utility service to the 1,050 acre planned development known as Haig Point, and the Cedar Cove Subdivision consisting of 18 single family residential lots, located on Daufuskie Island in Beaufort County, South Carolina. In March 2010, DIUC acquired the Melrose Utility Company ("MUC") which is also located on Daufuskie Island in Beaufort County, South Carolina.

In its Application, DIUC states its Application is necessary because the current rates do not enable the Company to cover its cost of providing service and to earn a fair return on its investment. The Application also reveals that DIUC has not applied for rate relief since 2005 and has never applied to establish unified rates under its current consolidated status. DIUC states that the proposed rates in its Application are essential for DIUC to continue to provide its customers with adequate water and wastewater service.

The Application delineates reasons for the proposed increases. First, according to DIUC, the proposed rate design would eliminate the current water and sewer usage allowances that currently exist under the Melrose tariff and apply volumetric rates to all water and sewer usage by all customers, as it currently applies under the DIUC tariff. Further, the tiered rate structure is designed to promote water conservation. The proposed rates would establish uniform rates for all of DIUC customers. Also, the proposed rates would result in very similar increases of the annual water and sewer charges for both the Haig Point and Melrose service area customers.

THE PROPOSED NEW RATES AND CHARGES ARE SET FORTH BELOW

(The complete rate schedule, including the Company's application, is available from the Company at the address below and on the Commission's website at www.psc.sc.gov. The Company's current rates are posted on the Commission's homepage at www.psc.sc.gov.)

	Haig Point Present Rates	Melrose Present Rates	DIUC Proposed Rates
Residential Rates			
Water			
Tapping Fees & ¾" Meter Box	\$500.00	\$500.00	\$500.00
Base Quarterly Charge	45.00	58.50	106.05
Consumption Charge (per 1,000 gallons)	0 to 22,500 gallons per quarter 2.00	0.00	3.14
	Over 22,500 gallons 2.00	1.77	3.14
Sewer			
Tapping Fees & Service Lateral	\$500.00	\$500.00	\$500.00

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Base Quarterly Charge		80.00	58.50	148.01
Volumetric Charge (per 1,000 gallons)	0 to 22,500 gallons per quarter	0.96	0.00	1.84
	Over 22,500 gallons	0.96	1.41	1.84
Irrigation				
Tapping Fees & ¾" Meter Box		\$500.00	\$500.00	\$500.00
Consumption Charge (per 1,000 gallons)	0 to 18,000 gallons per quarter	2.00	1.20	3.46
	18,001 – 60,000 gallons	2.24	1.20	4.08
	Over 60,000 gallons	2.54	1.20	4.71
Commercial Rates				
Water				
Tapping Fees per Hotel or Inn Room		\$ 250.00	\$ 250.00	\$ 250.00
Tapping Fees up to 1-½ Meter		500.00	500.00	500.00
Tapping Fees 2" or 3" Meter		1,500.00	1,500.00	1,500.00
Tapping Fees for 6" Meter		3,500.00	3,500.00	3,500.00
Note: Larger meters on a case by case basis				
Base Quarterly Charge		\$ 63.00	\$ 99.00	\$ 148.48
Consumption Charge (per 1,000 Gallons)	0 to 22,500 gallons per quarter	2.00	0.00	3.14
	Over 22,500 gallons	2.00	1.41	3.14
Sewer				
Tapping Fees per Hotel or Inn Room		250.00	250.00	250.00
Tapping Fees 4" – 8" Sewer Pipe		500.00	500.00	500.00
Base Quarterly Charge		129.16	99.00	207.22
Volumetric Charge (per 1,000 gallons)	0 to 22,500 gallons per quarter	0.96	0.00	1.84
	Over 22,500 gallons	0.96	1.41	1.84
Irrigation				
Tapping Fees & ¾" Meter Box		500.00	500.00	500.00
Consumption Charge (per 1,000 Gallons)	0 to 18,000 gallons per quarter	2.00	1.20	3.46
	18,001 - 60,000 gallons	2.24	1.20	4.08
	Over 60,000 gallons	2.54	1.20	4.71

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, 101 Executive Center Dr., Columbia, South Carolina on **Thursday, May 3, 2012, at 10:30 a.m.**

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure, on or before **February 29, 2012**, and indicate the amount of time required for his

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presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. ***Please refer to Docket No. 2011-229-WS.***

Any person who wishes to testify and present evidence at the hearing should notify the Clerk's Office, in writing, at the address below, the Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201 and G. Trenholm Walker, Esquire, Pratt-Thomas Walker, Post Office Drawer 22247, Charleston, South Carolina 29413 on or before **February 29, 2012**, and indicate the amount of time required for the presentation. ***Please refer to Docket No. 2011-229-WS.***

Any person who wishes to request a hearing in his or her county of residence, and does not want to intervene as a party of record in this matter, should notify on or before February 29, 2012, in writing, the Clerk's Office at the address below, the Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201 and G. Trenholm Walker, Esquire, Pratt-Thomas Walker, Post Office Drawer 22247, Charleston, South Carolina 29413. ***Please refer to Docket No. 2011-229-WS.***

Any person who wishes to be notified of any change in the hearing date, but does not wish to present testimony or be a party of record, may do so by notifying the Clerk's Office in writing at the address below on or before **February 29, 2012**. ***Please refer to Docket No. 2011-229-WS.***

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Clerk's Office
Post Office Drawer 11649
Columbia, SC 29211
1/24/12